

COMMITTEE OF THE WHOLE JUNE 16, 2003

SENIORS PROJECT – FORMER CMHC LANDS

Recommendation

The Commissioner of Community Services recommends:

That the City of Vaughan approve the recommendation by the Region of York to award the contract in the amount of \$280,340 (including GST) to Allen & Sherriff Architects for the provision of architectural services for the Seniors Project on the former CMHC Lands; and

That the City of Vaughan enter into a Development Agreement with the Region of York, based on the principles outlined in the Memorandum of Understanding, approved in June 2002.

Purpose

The purpose of this report is obtain Council approval for the Region of York's recommendation to award an architectural contract to Allen & Sherriff; and to proceed with a Development Agreement.

Background - Analysis and Options

In June of 2002, Council approved as Memorandum of understanding with the Region of York which set out the terms and conditions of a joint project for the development of seniors housing and an active living centre. Staff are now ready to proceed with the preparation of a Development Agreement, and to appoint the architects. Attached for information is the report to the Region's Community Services and Housing Committee, June 4, 2003.

Conclusion

Council approval is being sought in conjunction with the approval of the Region of York to proceed to the next step in the Seniors Project. Update will be provided to Council as the project progresses.

Attachments

1. Vaughan Partnership Project, the Regional Municipality of York, Community Services And Housing Committee, June 4, 2003, Report of the Commissioner of Community Services and Housing.

Report prepared by:

G. Doris Haas
Commissioner, Community Services

Respectfully submitted,

G. Doris Haas
Commissioner, Community Services

THE REGIONAL MUNICIPALITY OF YORK

Community Services and Housing Committee

June 4, 2003

Report of the

Commissioner of Community Services and Housing

VAUGHAN PARTNERSHIP PROJECT

1. RECOMMENDATIONS

It is recommended that:

1. Council award a contract to Allen & Sherriff Architects Inc. for the provision of architectural services at a cost of \$280,340 (including GST) to develop a housing project and seniors' active living centre in the City of Vaughan. The responsibility for funding this contract is to be proportionately shared by agreement between York Region and the City of Vaughan.
2. The Commissioner of Community Services and Housing be authorized to utilize funds from the Social Housing Reserve fund to cashflow the development of this project to a maximum of \$250,000, to cover architectural services as per this contract, and such other development related costs, as may be required until such time as a financing mechanism is selected and approved by Council. The balance of costs is to be cash-flowed through the City of Vaughan's \$100,000 commitment to consulting costs.
3. The Region enter into an agreement with the selected architect, and the Chair and Regional Clerk be authorized to execute the agreement, subject to the approval of the Regional Solicitor.
4. Council authorize staff to work with representatives from other levels of government, and any other potential funder, to investigate and pursue capital funding assistance available to develop this mixed-use project.
5. Council authorize staff to take the necessary actions to give effect thereto.

2. PURPOSE

This report seeks approval to hire an architect to develop the necessary plans and construction documents to build a mixed-use building comprised of a seniors' rental housing and a senior citizens active living centre in the City of Vaughan. Once preliminary plans are drawn up the number of housing units and the scope of the seniors' centre will be better defined so that cost estimates can be prepared for consideration by Regional and City Councils.

3. BACKGROUND

In spring 2001, Regional staff were approached by City of Vaughan staff to discuss a partnership arrangement to develop a seniors' housing project and community health/recreational facility on City-owned property near Weston Road and Highway 7.

A Joint Steering Committee for the project was established with senior staff from the Community Services and Housing Department at the Region and the Community Services Department at the City of Vaughan. Concept plans prepared by Allen & Sherriff Architects, Inc. have been presented to Regional and City of Vaughan staff.

At the June 2002 meeting, a joint report of the Commissioners of Community Services and Housing and Health Services was approved by Council. Council approved a Memorandum of Understanding (MOU) between the City of Vaughan and the Region to develop and build this mixed-use project, and also approved the issuance of a Request for Proposal (RFP) for architectural services.

The June report also described the need for health-related services for seniors in the Vaughan and Richmond Hill communities. Due to growth and demographic changes, the Ministry of Health and Long Term Care has indicated that an additional 4,569 long term care (LTC) spaces will be required in York Region by the year 2006 to maintain the Provincial benchmarks for minimum service levels. Of that number, approximately 1,523 spaces will need to be accommodated by an increase in the number of LTC beds. The remaining 3,466 LTC spaces will need to be accommodated by increasing the capacity of non-institutional LTC services such as Home Care, Adult Day and LTC Outreach Programs, Supportive Housing, and other community based services.

The MOU was executed on July 31, 2002 and the RFP was issued on October 7, 2002.

4. ANALYSIS AND OPTIONS

4.1 Request for Proposal Results

The RFP for architectural services closed on November 14, 2002 at 1:00 p.m. (local time). The RFP responses were checked for accuracy and compliance with the bidding procedures. Table 1 lists the firms submitting proposals.

Table 1
List of Proposals Received

Name of Proponent
Allen & Sheriff Architects Inc.
Arcos Incorporated
Barbara Dewhirst, Andre Lessard Architects
Fliess Gates McGowan Easton Architects
Intra Architect Inc.
Jonathan Weizel Architect
Julian Jacobs Ltd.
Markson Borooah Hodgson Architects
Montgomery Sisam
Petroff Partnership
Sievenpiper Associates
Young & Wright Architects Inc.

An evaluation committee was established with participation from Supplies and Services, Health Services, Property Services, Community Services and Housing and City of Vaughan.

The committee evaluated the proposals in a three-stage process according to the following criteria:

- Qualifications of consultants
- Experience and credentials of the firm
- References
- Capacity to protect confidential information
- Responsiveness and completeness of the submission
- Demonstrated full understanding of the Region's project
- Ability to meet project timetable/deadlines
- Approach and methodology, innovation of solution offered (value added)
- Price

Stage 1:

The initial evaluation was conducted individually by the members of the evaluation committee.

Stage 2:

The evaluation committee as a whole performed the secondary evaluation in order to arrive at a consensus based on the proposal documents submitted by the proponents.

Stage 3:

Presentations/interviews were held with the top six proponents: Allen & Sherriff Architects Inc., Arcos Inc., Intra Architects, Julian Jacob, Montgomery Sisan, and Sievenpiper. A consensus evaluation was reached for these 6 firms.

Table 2 provides a summary of the results.

Table 2
Evaluation Results

Name of Proponent	Score Without Price	Score With Price	Price Excluding GST
Allen&Sheriff Architects Inc.	54	74.0	\$280,340
Arcos Incorporated	48	59.5	\$463,845
Intra Architect Inc.	62	74.0	\$468,125
Julian Jacobs Ltd.	54	70.1	\$331,700
Montgomery Sisan	54	64.9	\$489,739
Sievenpiper Associates	44	58.4	\$370,541

After the presentations, the evaluation committee is satisfied that Allen & Sherriff Architects Inc. (the lowest price submission meeting the project's requirements) demonstrated their ability to provide the architectural services for a mixed use development comprised of a seniors' apartment building and a seniors' active living centre. The Director of Supplies and Services supports this recommendation.

4.2 Cost of Architectural Services

Based on the proposal from the recommended proponent, the architectural fees would be \$280,340. The RFP requested an all-inclusive firm fixed fee for full architectural services including disbursements and GST.

To reduce the Region's financial liability, the request for proposals for architectural services required that bidders provide a detailed fee schedule for the various phases, so that the contract may be terminated and any related expense limited, should the project not proceed.

4.3 Building Cost

Based on the concept drawings prepared by Allen & Sherriff Architects Inc, and industry averages for typical forms of construction provided by quantity surveying firms such as Pelican Woodcliff Inc. and Helyer & Associates, Regional staff have estimated the total development and construction cost for a 55 to 60 unit, seniors' apartment building to be in the range of \$6 to \$6.6 million. The cost of a single storey senior citizens' active living centre could range between \$880,000 and \$2.1 million, depending on the intended use of the facility. These costs are the responsibility of the City of Vaughan.

A recent costing study completed for the Region estimates the cost of the residential component of such a building to be approximately \$110,000 per suite, exclusive of land cost. Until preliminary plans are completed and site plan is discussed with City staff, estimates of final costs are theoretical for both the housing and the seniors' centre. The number of units, square footage of total construction and the end

uses for the seniors' centre will be defined at that time. A report will be presented to Committee and Council as soon as this information is available.

4.4 Sources of Funding

4.4.1 City of Vaughan

The Memorandum of Understanding between Vaughan and the Region stipulates that the City is responsible for all capital and operating costs associated with the seniors' active living centre.

The City of Vaughan has committed up to \$1,000,000 for the construction of the seniors' active living centre, of which up to \$100,000 is earmarked for consulting services including architect fees.

As well, the City is contributing the project site, which is estimated to have a market value of approximately \$800,000.

4.4.2 York Region

The Region has planned for a contribution from the Social Housing Reserve Fund to this project in its Capital Plan for Housing. The balance of the project cost would be financed through a debenture, which would be paid down by rental revenues. Based on the preliminary estimates discussed above, and if Federal Community Rental Housing Program funding is granted to this project, the capital contribution required from the Region would be in the range of \$200,000 to \$700,000. Factors such as tendered construction costs and interest rates at time of final approval will influence the amount required. A more accurate assessment of the impact on the Social Housing Reserve will be available once more detailed project plans are completed. These plans will facilitate a thorough costing analysis, which will be the subject of future reports to Committee and Council.

The pre-development costs, such as the Regional portion of architectural services, will be funded through the Social Housing Reserve Fund until permanent financing is approved.

Regional staff will provide development and project management services to the project, including the analysis of financing options and capital and operating costs. Regional staff will assist Vaughan staff to identify and seek partners for the development and operation of the seniors' active living centre.

The parameters of the respective responsibilities of the partners will be detailed in a Development Services Agreement to be executed by the Region and the City.

The housing portion of the project will be part of the Housing York Inc. portfolio and will have the advantage of the Corporation's property management and tenant services expertise. Shared operating costs with the seniors' active living centre will be managed through a formal "shared facilities agreement" to be negotiated with the City of Vaughan.

4.4.3 Federal/Provincial Government

This housing project is included on the list of Pilot Projects to be submitted to the Province for federal/provincial funding of up to \$27,000/unit under the recently announced *Federal Community Rental Housing Program*. (The Pilot Projects proposal is the subject of another report before Committee.) The contribution of land and capital from the City of Vaughan would likely be accepted by the Province as matching funds to the federal funding and would significantly reduce the investment required from the Region. Should this project not qualify for the program, Regional costs for the project will increase proportionately.

Up to 42 rent supplement units have been set aside for this project from the Region's existing provincially funded rent supplement allocation. The final number of subsidized units will be determined when preliminary plans are drawn and it is known how many total units will be provided in the building.

In addition, York Region Health Services is exploring the provision of an Assisted Community Living Program in this building as well as community outreach services to senior residents in this area of the Region. They will request Ministry of Health and Long Term Care funding, on a cost-recovery basis, for all operating dollars associated with the ongoing operation of these programs.

4.5 Next Steps

Staff have identified the following steps as essential to continuing with the project at this time:

- Work with the approved architect to further develop the concept drawings, prepare elevations and outline specifications for the purpose of establishing a capital cost estimate for the project and report back to Council.
- Continue to seek out potential funding partners.
- Work closely with the City of Vaughan and York Region Health Services to ensure the seniors' centre will meet community needs.
- Concurrent with this design work, write a draft Development Services Agreement, in consultation with the Regional Solicitor, for review and approval by Council for the Region and the City of Vaughan.
- Report to Council on the above matters.

4.6 Relationship to Vision 2026

This project supports the goals of both *Vision 2026* and the *Housing Supply Strategy* for York Region in a number of ways:

- Through a partnership with the local municipality, the planned development will serve senior citizens, including those needing supports to live independently.
- The active living centre will help to integrate tenants with the community at large.
- These same goals are restated in the *Housing Supply Strategy* and this project will contribute to the specific objective of developing 100 units of affordable housing per year.

5. FINANCIAL IMPLICATIONS

The investigation and research outlined above must be completed to determine the precise financial impact of the proposed Vaughan Partnership. Staff will report to Council on the financial implications as the project plans are developed.

As shown in Table 3, the potential impact to the Region could be in the range of \$6.0 to \$6.6 million. Community Services and Housing staff are currently working to identify other funding partners. For example, if the Region decides to participate in the *Federal Community Rental Housing Program*, this project would be a likely candidate for federal funding since the anticipated City and Regional contributions exceed the amount needed to match the potential federal grant available. Community Services and Housing will work with the Finance Department and Regional Treasurer to develop a financing mechanism that best serves the needs of the project, while reducing the overall financial impact.

It is proposed that an equity contribution be made from the Region's Social Housing Reserve Fund, with the balance of the costs being financed. The cost of borrowing would be repaid through rental revenue. The amount of borrowing will be determined when the revenue stream is finalized.

Table 3
Proposed Funding for Vaughan Partnership Project - Residential Component
(excluding land)

Description	\$ millions
Building cost	\$6.000 - 6.600
Potential Funding Sources:	
Proposed Federal Contribution	1.375 - 1.500

Proposed Provincial Contribution	<u>0.110 - 0.120</u>
Sub-total	1.485 - 1.620
Proposed Regional debenture and reserve contribution	<u>4.515 - 4.980</u>
<u>Total Potential Funding Sources</u>	<u>\$6.000 - 6.600</u>

The Region has requested that 42 units be designated for rent supplement under the Provincial Homelessness Program. At the end of this time, York Region will need to review the program and determine funding for future years.

Staff are recommending that interim costs, including architect's fees and such other development related costs as may be required up to \$250,000 for the development of this project to be funded from the Social Housing Reserve until such time as a permanent financing mechanism is selected and approved by Council. The capital budget for this project for 2003 which includes this \$250,000 is \$3.080 million.

6. LOCAL MUNICIPAL IMPACT

The creation of the proposed 55 to 60 affordable seniors rental housing units in the City of Vaughan will assist in alleviating some of the pressures for housing in York Region. The creation of an active living centre for senior citizens will provide much needed social-recreational space and health related programs and supports within the local community.

The City of Vaughan will be asked to consider waiving various municipal fees and charges to reduce the capital cost of the project.

7. CONCLUSION

The Vaughan Partnership Project provides an opportunity for York Region to address some of the goals identified in the Housing Supply Strategy. These include the development of partnerships, the use of government-owned land and integration of affordable housing in existing communities.

The Senior Management Group has reviewed this report.

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June 2, 2003
GT/dm

